

May
2014



**mercado
libre**

First Quarter 2014 Results

Investor Relations



This presentation may make forward-looking statements relating to such matters as continued growth prospects for the company, industry trends and product and technology initiatives. These statements are based on currently available information and our current assumptions, expectations and projections about future events. While we believe that our assumptions, expectations and projections are reasonable in view of currently available information, you are cautioned not to place undue reliance on these forward-looking statements. Our actual results may differ materially from those included in this presentation, for a variety of reasons, including those described in the forward-looking statements and risk factor sections of our 10-K and other filings with the Securities and Exchange Commission, which are available on our investor relations website. (<http://investor.mercadolibre.com>)

A reconciliation of Non-GAAP measures to the nearest comparable GAAP measures can be found in our first quarter 2014 earnings press release available on our investor relations website

All of the information included in this presentation is updated as of May 8th, 2014. Except as may be required by applicable law, we assume no obligation to publicly update or revise our statements.



Q1 2014 Highlights



Key Trends

- Total Revenues +50% YoY in local currencies (+39% ex Venezuela)
- Marketplace Revenues +57% YoY in local currencies (+39% ex Venezuela)
- Non-Marketplace Revenues +34% YoY in local currencies (+38% ex Venezuela)
- Brazil Revenues +30% YoY in local currency, as our largest marketplace also leads the way in payments & shipping



Continued progress on strategic initiatives

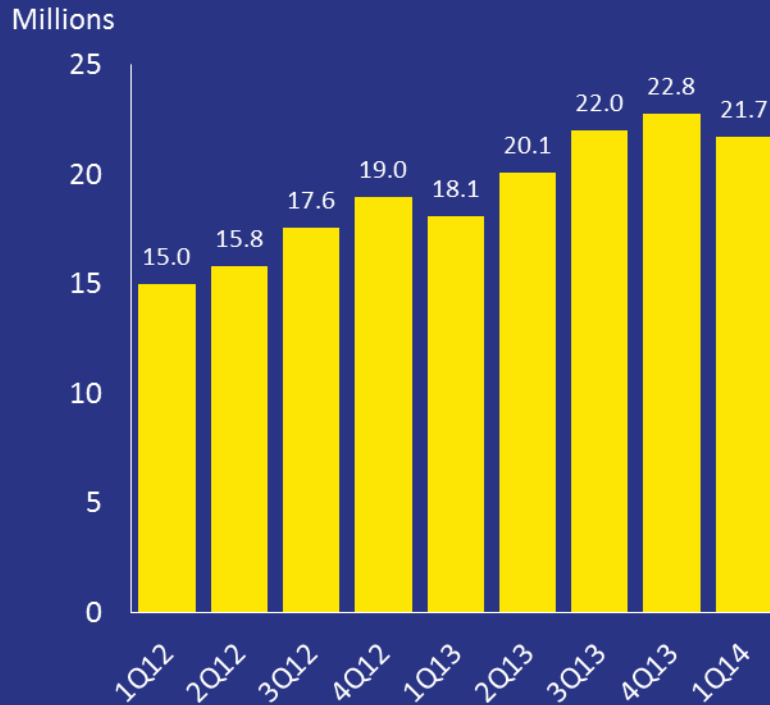
- Total payments penetration was up, led by on-platform topping 60% in Brazil and 38% in Argentina
- Shipped items in Brazil grew to 14% of GMVe in March, as MercadoEnvíos keeps gaining ground.
- Mobile doubled its YoY penetration in March, from 7% to 14% of our GMVe, with 10M+ app downloads
- Official stores more than doubled, reaching 85 by the end of Q1



Core Operating Metrics

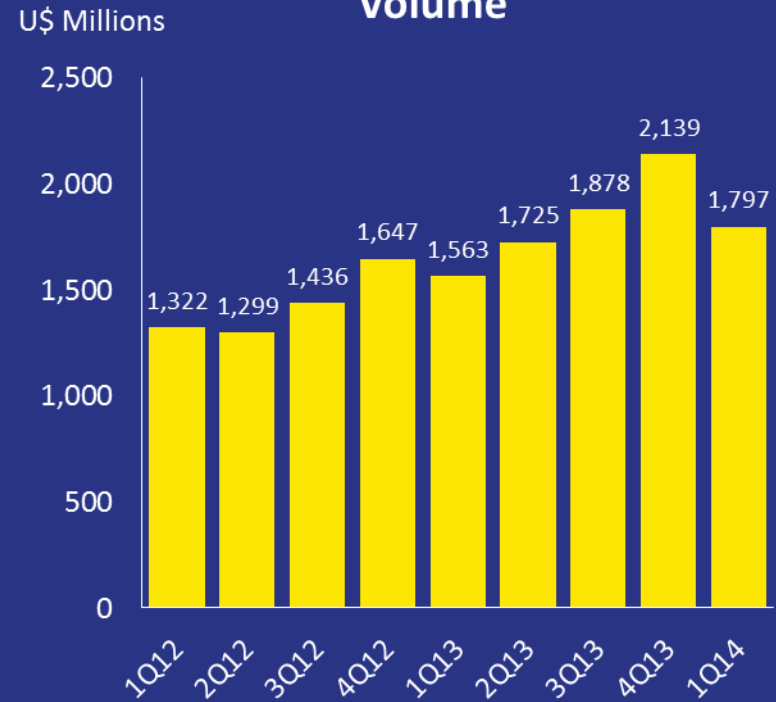


Items Sold



YoY Growth	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
	38%	36%	22%	19%	20%	27%	25%	20%	20%

Gross Merchandise Volume



YoY Reported USD growth	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
	39%	22%	7%	14%	18%	33%	31%	30%	15%
YoY Constant USD growth	45%	37%	20%	21%	30%	45%	49%	49%	58%

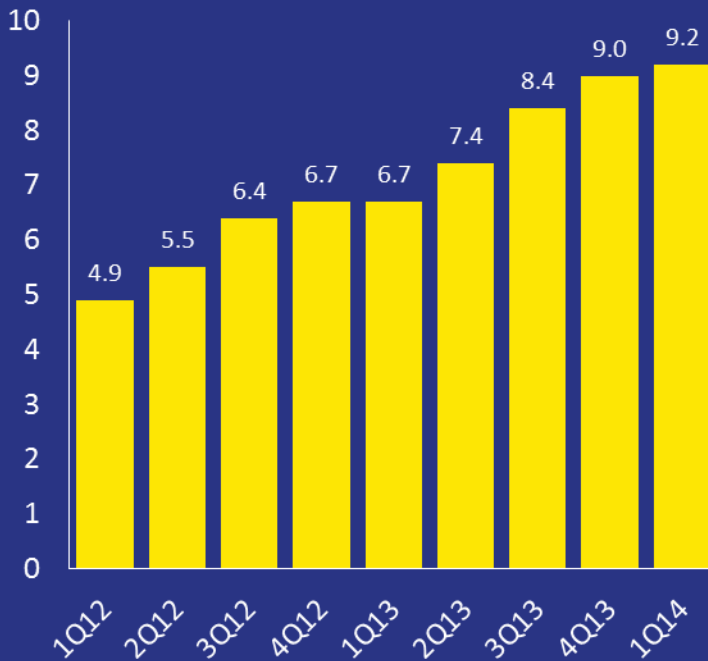


Payments Operating Metrics



Total Payment Transactions

Millions

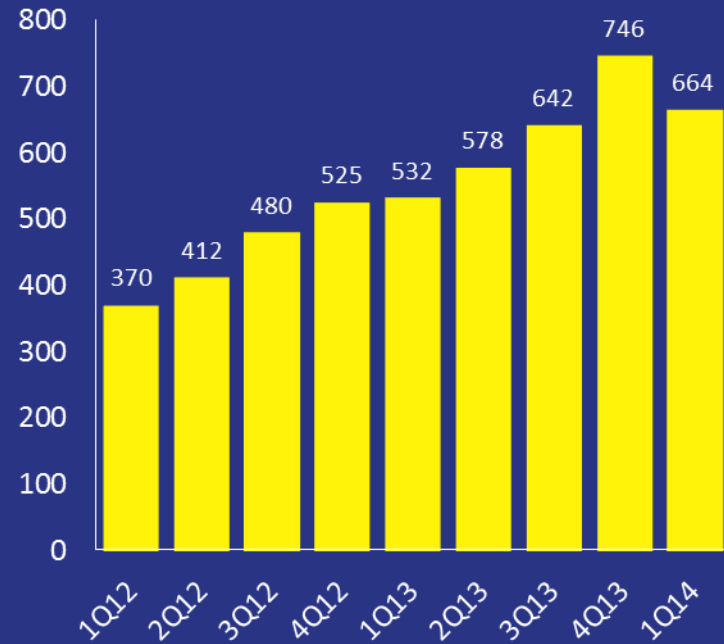


YoY Growth

85% 78% 65% 43% 38% 35% 32% 34% 36%

Total Payment Volume

U\$ Millions



YoY Reported USD growth

51% 39% 30% 30% 44% 40% 34% 42% 25%

YoY Constant USD growth

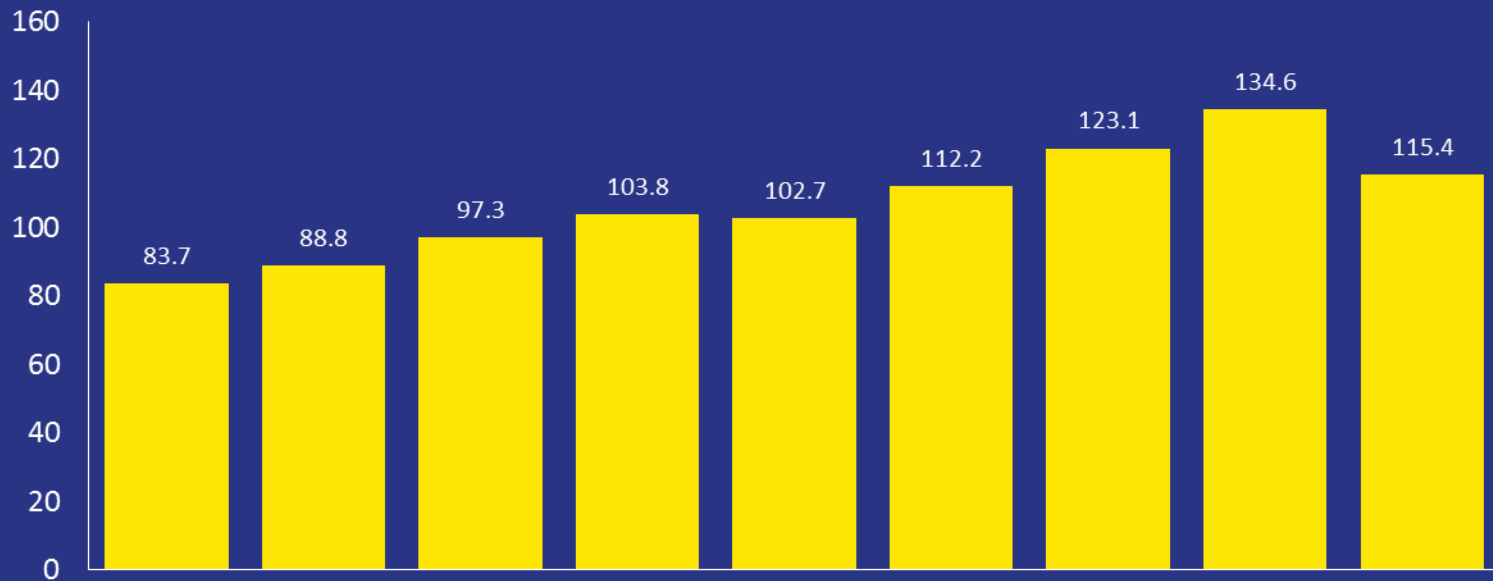
61% 64% 55% 47% 62% 54% 55% 66% 64%

Net Revenues



Net Revenues

U\$ Millions



	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
YoY Reported USD Growth	36%	28%	19%	20%	23%	26%	27%	30%	12%
YoY Constant USD Growth	44%	47%	37%	31%	36%	38%	45%	50%	50%

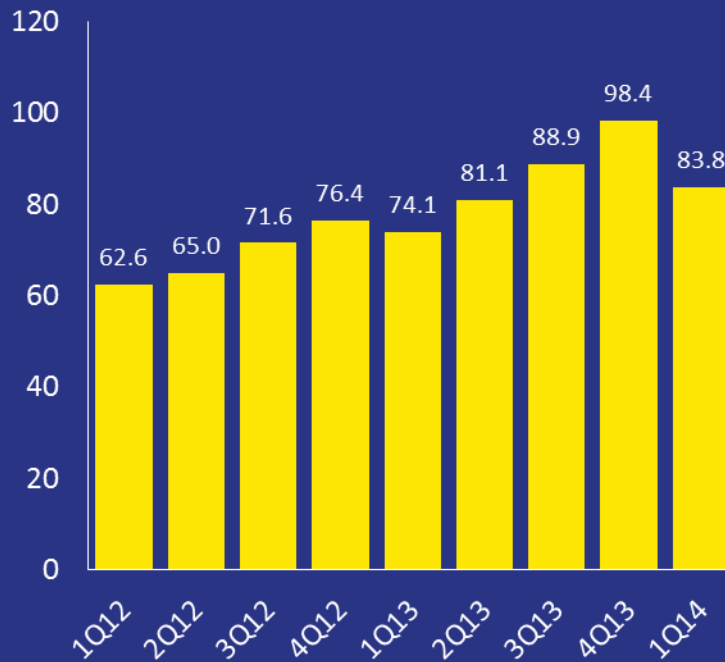


Gross Profit & EBIT



Gross Profit

U\$ Millions

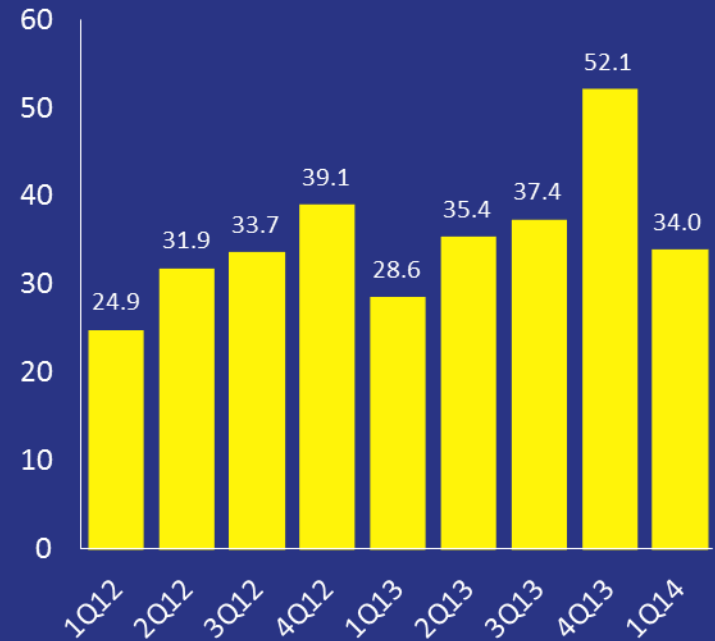


Gross Margin

75% 73% 74% 74% 72% 72% 72% 73% 73%

EBIT

U\$ Millions



EBIT Margin

30% 36% 35% 38% 28% 32% 30% 39% 29%

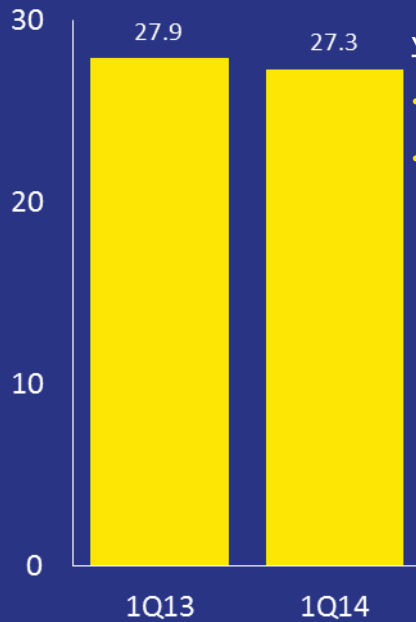


COGS & OPEX



COGS

% of Revenues

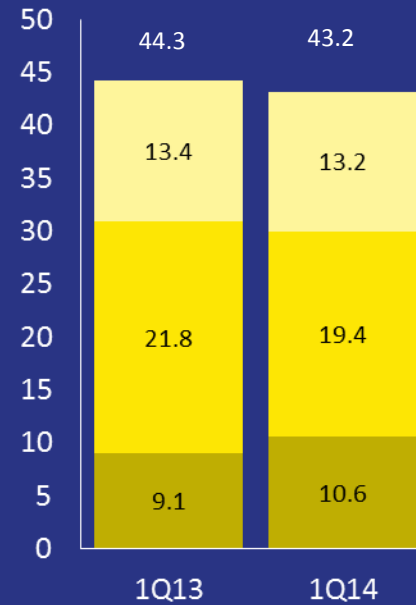


YoY change:

- 120 bps: scale in customer support operations
- +121 bps of increased processing fees due to MP penetration, partially offset by efficiencies in MP taxes

OPEX

% of Revenues



YoY change:

- 134 bps of scale in salaries
- 80 bps (approx) in lower outside services
- +208 bps tax credit write off in Argentina
- +105 bps of bad debt
- 311 bps of improved chargebacks
- 50 bps of scale in salaries
- +149 bps: Hardware/maintenance, partially offset by scale in salaries

■ General & Administrative ■ Sales & Marketing ■ Product Development

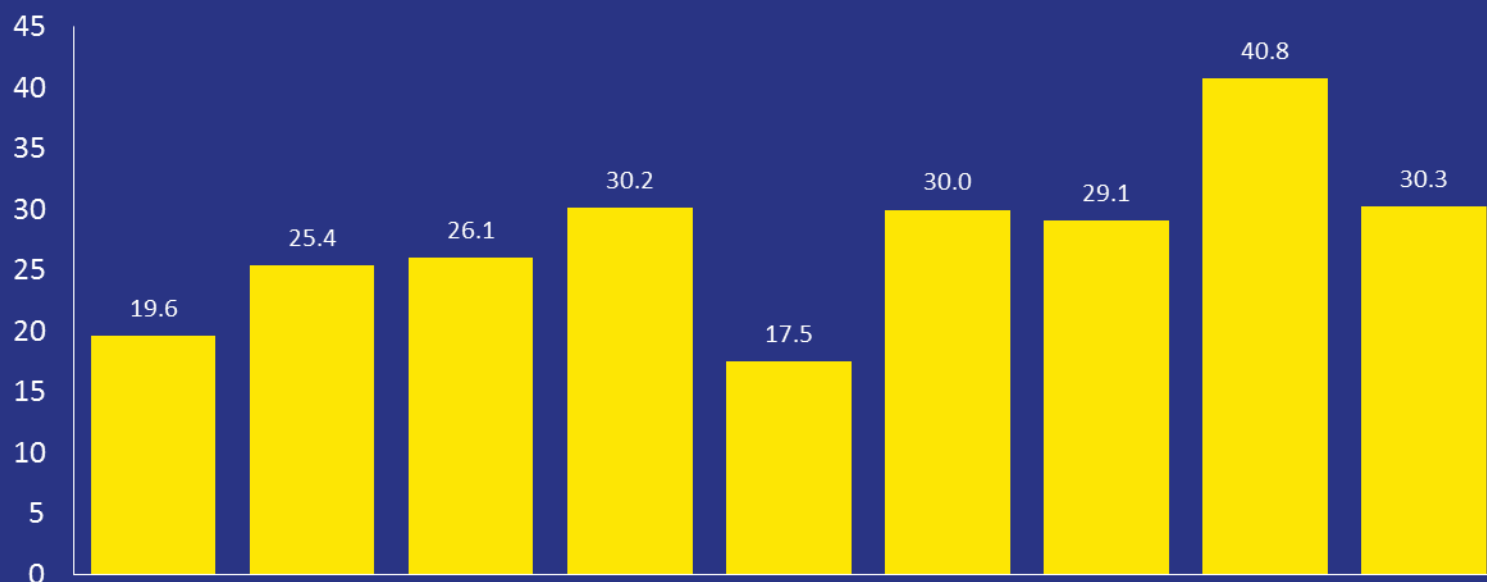


Net Income & EPS



Net Income

U\$ Millions



	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14
Net Income Margin	23%	29%	27%	29%	17%	27%	24%	30%	26%
EPS	0.47	0.45	0.57	0.59	0.69	0.40	0.67	0.66	0.69

